

**SUBPART B PROPOSED REGULATION, CONSERVATION INFORMATION DOCUMENTS
OOC COMMENTS**

Proposed Regulation	Comments
§ 250.296 When and why must I submit a CID?	
(a) You must submit, and the Regional Supervisor must approve, a CID before you conduct any of the following:	
(1) Activities associated with a development project that will involve the use of a structure other than a conventional steel-piled jacket platform in water depths greater than 1,312 feet (400 meters); or	<i>Please explain what you mean by “activities”. What is the basis for requiring CIDs for development projects that utilize structures other than conventional platforms ins water depths greater than 400 meters. What does type of structure foundation have to do with MMSs need to verify the development of economically producible reserves?</i>
(2) Activities associated with a project utilizing subsea production technology at any water depth.	<i>Please explain what you mean by “activities”. The requirement that a CID be submitted and approved for any project using subsea technology is questioned. There are numerous instances where a subsea well is used to develop marginal reserves in as little as 150’ of water. If there is only one zone to be produced, then a CID is superfluous and a burden on both the operator and the MMS. If zones are to be commingled downhole, then the existing commingling approval process is adequate.</i>
(b) MMS will use the information in the CID to ensure development of economically producible reservoirs according to sound conservation, engineering, and economic practices before you commit or expend substantial funds.	<i>In many cases, fabrication of a structure will commence as soon as a discovery has been made and a development concept selected. This may be long before the information for a CID is available to submit. To wait until the CID has been approved prior to proceeding with the project will lead to unreasonable cycle times and adversely effect project economics.</i>
§ 250.297 What information must a CID contain?	
A CID must include all of the following information that is available for each penetrated hydrocarbon-bearing reservoir that would qualify a well as capable of producing in paying quantities	<i>In many cases, the development plan will include continued exploration in the area by the drilling of wells for reservoirs that have not been previously penetrated. How does this effect the</i>

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under § 250.115 or § 250.116:	<i>CID process?</i>
(a) Estimates of original oil and gas in-place and anticipated recoverable reserves;	
(b) Reservoir development strategies or a statement that you do not plan to develop the reservoir;	
(c) Project-specific economic justification, including risk assessment, consistent with your internal evaluation if you do not plan to develop the reservoir;	
(d) Structure maps, showing the penetration point and subsea depth for each well penetrating the reservoir, fluid contacts or the lowest or highest known levels in the absence of actual contacts, reservoir boundaries, and the scale of the map;	
(e) Interpreted structural cross sections and corresponding full-scale interpreted seismic lines or block diagrams, as necessary, that include all current wellbores and planned wellbores on the leases or units to be developed, the reservoir boundaries, gas/oil/water contacts, depth scale, stratigraphic positions, and relative biostratigraphic ages;	
(f) Isopach maps of each reservoir showing the net feet of pay for each well within the reservoir identified at the penetration point, along with the well name, labeled contours, and the correct scale of the map;	
(g) Appropriate well logs;	
(h) Appropriate pressure data, specified by date, and whether estimated or measured; and	
(i) Any other appropriate data you used in performing your reservoir evaluations and preparing your reservoir development strategies.	
§ 250.298 How do I submit a CID?	

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<p>You must submit three copies of a CID to MMS's GOM OCS Region, Production and Development, Attention: Chief, Rate Control Section (MS 5330). You are encouraged to submit the CID as early as practical and before you make capital investment decisions that could be affected by MMS conservation decisions.</p>	<p><i>This provision suggests that a CID submission is a one time only occurrence and should be made after a field has been discovered and delineated sufficiently for the operator to select a development concept and sanction the project. Therefore, only limited wells may have been drilled and limited data obtained. We note that there is no requirement to update CID filings after further drilling has occurred and we believe this is appropriate. However, this has not been MMS' practice. In several cases operators have filed CIDs immediately following discovery and concept selection and been required to file subsequent plans based on continued exploratory and development drilling. If MMS expects filings before significant capital expenditures, then filing the CID with limited information should be acceptable.</i></p>
<p>§ 250.299 What decisions will MMS make on the CID?</p>	
<p>The Regional Supervisor will provide a written decision on your CID. MMS may disapprove your CID if we determine that additional wells or alternative development schemes would result in the economic recovery of significant additional volumes of oil and gas reserves.</p>	<p><i>Disapproval should be limited to cases where the reservoirs already discovered are not adequately developed. If the CID or a portion of the CID is disapproved, MMS should present detailed support for its decision including economic justification that includes risk assessment consistent with the operator's established policies.</i></p> <p><i>We note that there is no timeframe proposed for MMS to provide their written decision. Since timeframes have been established for decisions on EP, DPP, DOCD and all three phases of DWOPs, we believe this to be a serious oversight on the part of MMS. Since MMS intent is to provide a written decision prior to the expenditure of significant capital, we believe MMS should provide their written decision within 90 calendar days of submittal similar to the approval timeframe for the Preliminary DWOP which is also intended to be approved prior to the</i></p>

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	<p><i>significant expenditure of capital. Failure to establish a review/approval timeframe can have significant impact to project schedules. Permit applicants attempting to adhere to MMS' intent of approval receipt prior to significant capital expenditure will be unable to establish project timelines with undefined CID approval times.</i></p> <p><i>Further, we believe that in many cases MMS could expedite the approve of the CID to a four week turn around time if the operator meets with MMS with an oral presentation of the development plan and schedules a follow up meeting to answer any questions that MMS has following their review.</i></p>